

What's more, H.R. 1542 preempts states from regulating high-speed data service altogether. This provision would prohibit states and the FCC from providing basic consumer protections, such as restrictions on unsolicited email and child pornography. The Bell companies pay millions of dollars in fines each year for violating state and federal laws, yet H.R. 1542 would remove almost all oversight of their high-speed activities, putting consumers at risk.

Rather than guaranteeing rural broadband service to rural America, H.R. 1542 simply provides the Bells with a tool to destroy their smaller competitors and avoid state and federal regulatory agencies. This bill is bad for competition and bad for consumers. I urge my colleagues to vote no.

TRIBUTE TO JAMEL BRADLEY

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 2002

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Jamel Bradley as he—along with Columbia native Aaron Lucas—prepares to play his final home game as #10 for the University of South Carolina Gamecocks on Saturday, March 2, 2002 Senior Day.

Leading college basketball's Southeastern Conference and ranking in the top ten nationally in three-point field goals as well as setting the three point record at USC would be reasons enough to recognize senior Jamel Bradley's accomplishments. What is even more extraordinary is the path that brought him to these amazing achievements.

At 18 months old, Jamel suffered an illness that kept his temperature at 106 degrees for three straight days. Although he recovered, 80% of his hearing was gone. As a child growing up in West Virginia, Jamel never felt he "belonged in this world." The hearing aids in both ears were inadequate and only served to stigmatize him. It wasn't until he found basketball that he discovered a way to fit in with his peers.

His success on the court led him to the USC Gamecocks and another life-changing event. This time Jamel received program-mable, omni-directional hearing aids that restored 75–80% of his hearing. For the first time he could remember, he heard birds chirping and clocks ticking.

Jamel's basketball accomplishments also took him to Rome, Italy last summer where he scored 33 points in the Championship Game of the Deaflympics, leading the U.S. team to a gold medal. This reinforced what Jamel had come to realize—his hearing deficiency would not and should not keep him from achieving his goals. That is a message that he enjoys sharing with deaf youth while serving as the role model he never had growing up.

Recently the ESPN Sports Network brought his low-key, inspirational style to a nationwide audience. Now his story has served to inspire children with disabilities across the country. Since Jamel's story aired, calls and emails have poured into USC's Basketball office attesting to the impact his story has had on others. It had a tremendous impact on me.

Mr. Speaker, I ask you and my colleagues to join me today in honoring Jamel Bradley.

The contributions he has made both on and off the basketball court will leave lasting impressions on all those he has touched. He is a remarkable young man. I wish him continued success and Godspeed!

COMPREHENSIVE INVESTOR PROTECTION ACT OF 2002, H.R. 3818

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 2002

Mr. LaFALCE. Mr. Speaker, today, I am very eased to join with Minority Leader GEPHARDT and many of my Democratic colleagues in introducing the Comprehensive Investor Protection Act of 2002. Well before the failure of Enron, I had spoken out frequently on my concerns that fraudulent financial reporting and earnings manipulation by public companies was endangering the savings and retirement plans of many Americans. Now that Enron has made the systemic problems in our financial oversight and disclosure systems all too clear to everyone, we have an opportunity to adopt serious reforms to correct the weaknesses that are undermining confidence in our capital markets.

Our bill will significantly enhance the independence and oversight of the accounting industry and puts on the table a full range of reforms to make real improvements in investor protection.

The bill adopts the proposal made by former SEC Chairman Levitt in 2000 to separate audit and consulting functions by prohibiting substantially all non-audit services that auditors have been providing to their audit clients, in addition to incorporating other significant provisions aimed at enhancing auditor independence.

The bill creates a Public Accounting Regulatory Board to provide strong and effective oversight of the auditing industry. We provide this new regulator with explicit, broad oversight authority and a stable funding source to ensure it can take tough action to provide effective oversight of the auditing industry, including direct inspection of audits.

The bill changes the way that auditors work with audit clients by ensuring that the audit committee is responsible for hiring and firing auditors. This has been advocated by five former SEC Chairmen as a way to make sure that auditors are clearly and directly responsible to the audit committee and shareholders, not to management.

The bill restores both joint and several liability and aiding and abetting liability for auditors and other outside professionals, as advocated by consumer and investor groups.

The bill places additional restrictions on securities analysts, including restrictions that have already been adopted by some major securities firms, but that were not included in the measures proposed by the NYSE and NASD last week.

Finally, an essential step in restoring the vitality of the financial reporting system is to provide a significant increase in SEC resources. I have been very pleased to see that our Republican colleagues have now heard my year-long calls for a significant increase in SEC resources. But I have been very concerned that the increase that they call for does

not provide for pay parity for SEC staff generally. Funding pay parity is essential for the SEC to be able to hire and retain experienced, professional staff needed to restore confidence in our capital markets and our financial reporting system. My bill addresses this by authorizing a doubling of staff for the Division of Corporate Finance, the Office of the Chief Accountant, and the Division of Enforcement, while providing full pay parity for all SEC staff.

I thank my colleagues for joining me today in introducing a bill that I believe represents a significant step forward in restoring the integrity of our system and providing investors the protections they expect and deserve.

SUMMARY OF 2002 COMPREHENSIVE INVESTOR PROTECTION ACT ("CIPA") H.R. 3818

Auditor Independence: CIPA would seek to ensure that an auditor's first duty is to the public by substantially limiting the non-audit services an auditor may provide to an audit client. The prohibited services to an audit client include, among others: (1) book-keeping; (2) financial information systems design (3) valuation services and fairness opinions; (4) internal audit services; (5) managerial services (i.e. acting as a director or officer); and (6) broker-dealer, investment adviser or investment banking services. Tax-related services and other non-audit services not otherwise enumerated would be subject to the approval of the audit committee, which would evaluate the effect of the provision of such services on the auditor's independence.

Corporate Governance and additional Independence requirements: CIPA includes a list of critical reforms in corporate governance and auditor independence, including:

(1) requiring a 4-year rotation of a registrant's auditor, with the possibility of one 4-year extension so long as the Public Accounting Regulatory Board approves such extension, after due review and inspection of the audit.

(2) vesting the audit committee with the power to hire and fire its auditors;

(3) requiring the audit committee to meet quarterly with its auditors and have an opportunity to do so outside the presence of management;

(4) requiring a 2-year cooling off period for certain former auditor employees before they could work for an audit client;

(5) making it unlawful for the issuer to improperly influence an auditor in the performance of an audit;

(6) prohibiting directors from providing consulting services to the issuer; and

(7) prohibiting the issuer from making charitable contributions to organizations associated with any director.

In addition, the bill would require extensive disclosures to make transparent to shareholders and investors the relationships that compromise independence that now prevail on many corporate boards among officers, directors and affiliates of the issuer.

Regulation of the Auditors: CIPA would create a strong public regulator, with clearly defined duties and powers mandated by Congress, to provide comprehensive oversight of accountants.

A super majority of a 7-member board would be selected from the public and would represent the interests of shareholders, investors, pension beneficiaries and future retirees.

The Chairman of the Board would be appointed jointly by the SEC and the Comptroller General.

An Appointment Committee, consisting of the Chairman of the Board, the Chairman of the SEC, and the Comptroller General shall select the six remaining Board members